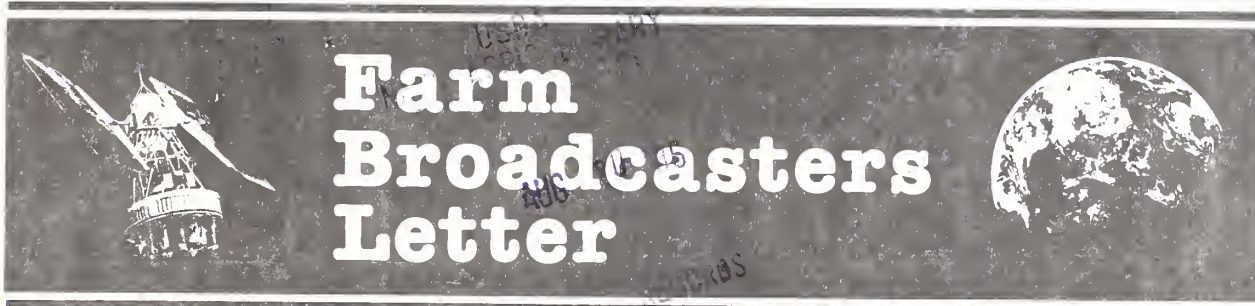


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Letter No. 2265

June 5, 1986

MYERS IS
NEW DEPUTY
SEC'Y

Peter Myers was sworn in on June 4 as Deputy Sec'y of Agriculture. Myers served as Asst. Sec'y of Agriculture for Natural Resources and Environment from May 16, 1985, until now. He was Chief of the Soil Conservation Service from April 1982 to May 1985.

COARSE GRAIN
EXPORT
FORECAST

The initial 1986/87 coarse grain export estimate projects U.S. exports at 49 million tons, up about 16 pct. from 1985/86, according to the U.S. Department of Agriculture. Most of the growth is expected in corn, up 5.2 million tons from 1985/86. However, lower U.S. sorghum prices and smaller competitors' export availabilities could also lead to expanded U.S. sorghum exports. The 1985/86 coarse grain forecast was lowered to 42.2 million tons from last month's figure of 44 million. Expected U.S. corn and sorghum exports fell 700,000 and 600,000 tons, respectively. Importers are waiting for an expected decline in grain prices.

1986/87 WHEAT
EXPORT FORECAST

The initial 1986/87 (June-May) wheat export estimate of the U.S. Department of Agriculture call for U.S. exports to be up about 22 pct. from 1985/86 to 29.9 million tons. This is still well below previous export levels which averaged about 38.8 million tons annually over the past 5 years. Lower prices and increased world demand are behind the expected rise. The 1985/86 U.S. wheat export forecast remains unchanged from last month at 24.5 million tons.

WORLD MARKET
SLOW

According to the U.S. Department of Agriculture, purchasing activity in the world wheat market remained relatively slow again this past month. Importers deferred purchases in possible anticipation of still lower world prices. Wheat purchases by Taiwan and Japan, together with about 175,000 tons of sales under the Export Enhancement Program - mostly to Egypt and Iraq - highlighted the May buying activity for U.S. exporters. The Soviet Union, which was virtually absent from the market in some weeks, reportedly bought about 600,000 tons of European Community feed wheat.

U.S.-CANADA
TRADE TALKS

U.S. and Canadian agricultural leaders are scheduled to meet on June 10 in Washington, D.C. for a semi-annual consultation. U.S. Sec'y of Agriculture Richard Lyng and Canadian Minister of Agriculture John Wise will lead the discussions.

CANADA HELPS
GRAIN FARMERS

In an effort to help grain farmers, the Canadian Wheat Board will raise maximum and minimum domestic wheat prices, according to the U.S. Department of Agriculture. Effective August 1986, the maximum price will rise to 11 Canadian dollars per bushel from 7 Canadian dollars. And the minimum price will rise from 5 to 6 Canadian dollars. Any rise in the domestic price of wheat will increase revenue entering the Wheat Board's total wheat pool and thus, possibly give it more latitude in selling wheat overseas. Canada will also freeze farm freight rates at current levels and effectively remove excise taxes on fuels for farm use.

U.S.-SOVIET
GRAIN TALKS

Another session of the regular, semi-annual U.S.-Soviet grain talks are being held in Moscow on June 9, and possibly June 10. The consultations will include a review of the worldwide and U.S.-USSR grain situations and the status of and prospects for shipments and sales under the agreement. Under Sec'y of Agriculture Daniel Amstutz is heading the U.S. delegation.

RECORD BEEF
PURCHASES

Sec'y of Agriculture Richard Lyng announced the USDA's purchase of a record amount of red meat--almost 29 million pounds--to help offset the impact of beef brought to market as a result of the dairy termination program. Said Lyng, "Since the beginning of the 400-million-pound red meat purchase program, USDA has bought almost 120 million pounds at an approximate cost of \$125.1 million, all of which is over and above our normal purchases for the school lunch and other feeding programs."

DESTINATIONS
UNKNOWN

On June 2, private exporters reported to the U.S. Department of Agriculture export sales of 235,000 metric tons of soft red winter wheat for delivery to unknown destinations during the 1986-87 marketing year. Also reported were purchases from foreign sellers of 340,000 tons of soft red winter wheat for delivery to unknown destinations during 1986-87. A purchase from a foreign seller is a transaction in which a U.S. exporter contracts to buy U.S.-produced commodities from a foreign firm.

1987 WHEAT
PROGRAM

The U.S. Department of Agriculture announced a 27½ pct. wheat acreage reduction and other provisions of the 1987 wheat program. Producers will be required to maintain in acreage conservation reserve an area equal to just under 38 pct. of planted wheat. The established target price will be \$4.38 per bushel, the same as for the 1986 crop. No marketing quotas will be in effect for the 1987 crop.

1986 CROP
GRAIN RESERVE
LIMITS

The U.S. Department of Agriculture announced the maximum amounts of grain for the 1986 crop of wheat and feed grains that may be stored under the farmer-owned grain reserve. The upper limits are 17 pct. for wheat and 7 pct. for feed grains of the estimated domestic and export usage of these grains during the 1986-87 marketing years. The USDA estimates those quantities at about 380 million bushels for wheat and 625 million bushels for feed grains. Entry into the reserve program will not be permitted for maturing 1986-crop wheat and feed grain loans if the quantities in the reserve from earlier crop years exceed the established upper limits for the grains at the time the 1986-crop loans mature.

FROM OUR
TELEVISION
SERVICE

WESTERN WATER SUPPLY OUTLOOK...Water supplies should be adequate to excellent for much of the West this summer, according to the U.S. Department of Agriculture. Bill Fecks, with USDA's Soil Conservation Service, outlines the latest water supply forecast for the West. DeBoria Janifer interviews. (201)

EASTERN EUROPE...USDA economist Robert Cummings takes a look at the outlook for agricultural production in Eastern Europe this year and how this outlook will affect U.S. exports to these countries. Vic Powell interviews. (202)

ETHANOL ASSISTANCE PROGRAM...The U.S. Department of Agriculture is currently proposing to begin a new ethanol assistance program as a means of aiding the gasohol industry. Earle Gavett, with USDA's Office of Energy, talks about some of the objectives of this program. DeBoria Janifer interviews. (203)

STORAGE FACILITIES FOR GRAIN...With large carryovers of grain and normal yields in 1986, there may not be enough grain storage space available. Darrel Good, with the University of Illinois, focuses on this situation and how farmers might deal with the problem. Gary Beaumont interviews. (204)

DAIRY COW COOLING RESEARCH...If we suffer in hot weather and our productivity drops, could it be the same with dairy cattle? Dennis Armstrong, University of Arizona, talks about research work underway to determine how to deal with this problem. Oscar Day interviews. (205)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1514...(Weekly 13½ min documentary) On this edition, Brenda Curtis visits the National Arboretum's National Country Garden. Her tour guide is Arboretum Director, Dr. Marc Cathey, who's narration provides a look into this whimsical yet serious garden that contains living walls of flowers, rose carpets, a floral teepee and gazebo.

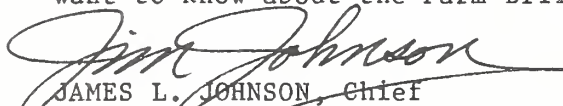
AGRITAPE/FARM PROGRAM REPORT #1503...(Weekly reel of news features) USDA news highlights; Certificate redemption; Pollution robs farmers; The grain game; New cotton lines.

CONSUMER TIME #996...(Weekly reel of news features) Frozen dinners; Bad nutrition; The return of the peony; Daylillies and irises; The perennial comeback; Too tight neckties.

USDA RADIO NEWS SERVICE...Mon, June 16, Cattle on feed report; Tues, June 17, Weekly weather and crop report; Fri, June 10, Catfish production. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

OFF MIKE

John Burrow, after 12 years with KGNC, Amarillo, Tex, is leaving to work at KTRH in Houston. He will be working with Bill Zak, replacing Ben Oldag. For the time being at least, Radonna Long will "fly solo" at KGNC. John's first day on the job at KTRH is June 16 ... Max Stewart has moved from KMOX in St. Louis, MO, and is now working at KXOK, same city. He made the switch, June 2 ... We here in the D.C. area are wanting rain. Conditions are pointing to the dryest spring in history. Bruce Lease (KWOA, Worthington, Minn.) says they been having the opposite problem: "This has been the wettest spring since I have been in this area, which is 27 years. He goes on to talk about the activities farmers perform during a "normal" year, then adds, "But then in Minnesota we never have a normal year." ... Our Gary Crawford (USDA Radio) brought home the bacon this week or, more accurately, the NAGC Gold Screen Award for the second part of his two-part series on "The Farm Problem: A Problem of the Mind?" on our AGRICULTURE USA weekly radio tape documentary series. Gary also returned from a trip to Ohio where he again appeared as guest on the WRFD farm show in Columbus with Joe Cornely and Mike Ramsey ... Incidentally, if you hear a familiar voice on USDA Radio News Service and it sounds a lot like Doug Wakefield, you're right, it is. Doug is on contract with the USDA Foreign Agricultural Service to produce radio and television stories ... Jerry Reed (WIBX/NE Ag Net, Utica, NY) dropped us a note and newspaper clipping, and the note contained this plea: "No Les Nessman jokes, please!!" The article revealed why. It reported that Jerry received the Silver Cow (not Sow) Award at the Oneida County Dairy Princess Coronation banquet recently. Our congratulations (and no Les Nessman jokes, either) ... If you've been hungering for a copy of the "Provisions of the Food Security Act of 1985," we have a free copy for you. As you might guess, it tells you all you'll want to know about the Farm Bill.


 JAMES L. JOHNSON, Chief
 Radio and Television Division



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